

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
April 28, 2005
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
 Linda Miller Atkinson, Vice Chairwoman
 Robert Bender, Commissioner
 Maureen Miller Brosnan, Commissioner
 Vincent J. Brennan, Commissioner
 James R. Rosendall, Commissioner

Also Present: Kirk Steudle, Chief Deputy Director
 Larry Tibbits, Chief Operations Officer
 Frank E. Kelley, Commission Advisor
 Marneta Griffin, Executive Assistant
 Jerry Jones, Commission Auditor
 Ray Howd, First Assistant Attorney General, Transportation Division
 John Friend, Bureau Director, Highway Delivery
 John Polasek, Bureau Director, Highway Development
 Myron Frierson, Bureau Director, Finance and Administration
 Susan Mortel, Bureau Director, Transportation Planning
 Tim Hoeffner, Policy Administrator
 Rob Abent, Bureau Director, Multi-Modal Transportation
 Carmine Palombo, Chairman, Transportation Asset Management Council

Excused: Gloria J. Jeff, Director

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:00 a.m. in the Bureau of Aeronautics Auditorium in Lansing, Michigan.

I. COMMISSION BUSINESS

Commission Minutes

Chairman entertained a motion for approval of the minutes for the joint meeting between the State Transportation Commission and the Michigan Aeronautics Commission of March 31, 2005.

Moved by Commissioner Brennan, with support from Commissioner Bender to approve the minutes for the joint meeting between the State Transportation Commission and the Michigan Aeronautics Commission of March 31, 2005. **MOTION CARRIED.**

Chairman entertained a motion for approval of the minutes of the State Transportation Commission meeting of March 31, 2005.

Moved by Commissioner Brennan, with support from Commissioner Bender to approve the minutes of the Commission meeting of March 31, 2005. MOTION CARRIED.

II. **RESOLUTIONS**

Resolution 2005-01 Resolution of Appreciation to Commissioner Betty Jean Awrey

Chairman Wahby presented Commissioner Awrey with a plaque on behalf of MDOT and the State Transportation Commission in appreciation of her years of service as Commissioner.

Commissioner Awrey gave brief comments thanking the Commission and the department for allowing her to serve as Commissioner.

Chairman Wahby entertained a motion to adopt Resolution 2005-01 Resolution of Appreciation to Commissioner Betty Jean Awrey. Motion was made by Commissioner Atkinson, supported by Commissioner Bender to adopt this resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

Resolution 2005-02 Resolution of Appreciation to Commissioner John W. Garside

Chairman Wahby presented Commissioner Garside with a plaque on behalf of MDOT and the State Transportation Commission in appreciation of his years of service as Commissioner.

Commissioner Garside gave brief comments thanking the Commission for the two terms he has had the privilege of serving. He also stated that during this time the Commission held meetings out in the field a total of thirteen towns. This enabled the department to glean significant information for meeting transportation needs.

Chairman Wahby entertained a motion to adopt Resolution 2005-02 Resolution of Appreciation to Commissioner John W. Garside. Motion was made by Commissioner Bender, supported by Commissioner Atkinson to adopt this resolution. Mr. Kelley called the roll; all answers were affirmative. Motion carried on a unanimous roll call vote.

III. **DIRECTOR'S REPORT – CHIEF DEPUTY DIRECTOR KIRK STEUDLE**

Legislative Hearings

On March 3, 2005, Speaker Craig DeRoche, Chairman Phil LaJoy and Vice-Chair David Law held a press event to announce a series of hearings on the Five Year Transportation Program (5YTP or 5YP). Hearings were held in seven locations: Canton (3/7), Grand Rapids (3/17), Waterford (3/21), Brighton (3/28), Marysville (4/7), Detroit (4/11), and Cadillac (4/14). A total of 98 people testified representing the general public, local governments and MPOs, businesses, transit agencies and public transit supporters. The objective was to give local elected officials, business leaders and families the opportunity to discuss their community infrastructure needs, and whether those needs are being met.

At each of the hearings, the Committee sought to answer the following questions: what affect does the five year program have on municipalities; how does it affect growth (both urban and suburban growth); is the five year program working--can it be improved; and, how can we better address citizens' quality of life issues? In addition to providing testimony regarding the five year program, MDOT provided information on such things as: Asset Management program, which seeks to view our transportation system more like common utilities, and as an investment; the economic and job creation benefits of Preserve First (here the University of Michigan detailed that our current 5YP would provide for more than 47,000 jobs over the five years of the plan); multi-modal transportation options (we provided all local investment information for the past several years, demonstrating our commitment to providing services essential to a 21st Century society); our commitment to a multi-layered, open and cooperative project selection process).

From these hearings, first and foremost, we heard that our 5YP is working, and is working well, particularly as we strive to live within our means. In Brighton, testimony focused on MDOT's teamwork and forethought in crafting Five Year Programs and our negotiation team for dealing with counties assuming maintenance activities on MDOT roads. SEMCOG testified that Preserve First was a realistic planning philosophy, necessitated by the current funding circumstances. We have also heard testimony from local governments and MPOs who very much appreciate MDOT's inclusiveness, cooperation, and vision when dealing with them on a variety of issues. They also expressed a great understanding for the balancing that must be made for preservation and capacity work, in light of uncertain federal funding.

Despite this understanding, local communities also voiced concerns asking that preference be given to a particular project for a number of reasons. While we certainly appreciate hearing those concerns, our project selection process works well because it allows for much of this discussion concerning priority and need to occur at the local MPO level, before appearing in our 5YP. Testimony was received concerning the need to move forward on several projects in Oakland County. We also heard testimony that Oakland County does not get its fair share of Act 51 monies, as well as testimony asking us to reinstate deferred projects. In Canton, SEMCOG offered to establish a process for involving legislators earlier in the MPO selection process.

In addition, we heard that there was a need for increased funding for public transit. In Grand Rapids and Cadillac, people advocated for the full 10% CTF funding for transit (instead of 8%). In Grand Rapids, testimony was primarily pro-Preserve First, pro-Rail and pro-Transit. In Detroit, the Sierra Club called for a funding increase for rail passenger and public transportation services and SMART provided testimony concerning issues facing the elderly and their use of public transportation.

Reauthorization Update

The MDOT website ticker indicates that, based on the national dollar figure in the Senate bill that was passed last March, Michigan has forgone about \$540 million in transportation revenue since TEA-21 first expired in September 2003.

Current extension expires on May 31st. The Administration proposal was released in February, House bill passed in March (417-9 vote), Senate committees completed their work last week. Senate floor debate is expected to be completed in early May.

The priorities for MDOT have remained unchanged: 1) An overall funding level needs to be sufficient to address increasing transportation needs and provide for more equitable distribution of highway funding to the states, with an increased rate of return on the dollars Michigan sends to Washington and no reduction in the scope of funds covered by the equity guarantee in TEA 21; 2) Adequate funding for Michigan's international border crossings, which, although they are among the very busiest commercial and passenger crossings in the country, have not been appropriately funded through the existing Borders and Corridors program in TEA 21; 3) More capital funds for Michigan's bus transit systems, which are not covered by an equity provision such as that for highways and must rely on congressional earmarks in the reauthorization process for a predictable funding stream; 4) Funding flexibility that allows each state to use funds in the way that best addresses its needs; in particular, Michigan would benefit by explicit easing of time limits imposed through regulations on the use of Congestion Mitigation and Air Quality program funds for operational projects that improve traffic flow and improve air quality.

When you look at how the provisions in the House and Senate bill stack up against Michigan's priorities, the Senate bill (minimum guarantee) is the only one that makes progress in increasing the rate of return for donor states. For borders both bills create a separate borders program, but the Senate bill contains a more favorable funding formula. For transit, neither bill makes progress in altering the distribution of capital funding between bus systems and commuter rail systems. On the funding flexibility side, new set-asides from the core programs in the House bill reduce overall funding flexibility.

The Administration has not introduced a reauthorization bill this session. They did reaffirm their commitment to the \$284 billion funding level by again threatening to veto the bill if it exceeds that amount.

House Proposal (TEA LU – Transportation Equity Act: A Legacy for Users): Donor states worked hard just to get scope and minimum guarantee provisions back to TEA 21 levels. The combination of the congestion relief program (which is funded by a set-aside from core programs) and the creation of six new apportioned programs will significantly dilute funding for core programs.

Senate Proposal: Many senators remain vocally supportive of increasing the overall funding level. In many important ways the Senate bill will provide a better program structure for Michigan (higher minimum guarantee, better borders formula and program, more funding for, and greater flexibility in, core programs, and fewer new programs which are subject to congressional earmarks).

What to expect

The Senate is scheduled to consider their bill in late April. If it passes by the end of April, there will only be one month left to work out a compromise in conference committee before the temporary extension of TEA 21 expires on May 31st. Additionally, all the bills proposed go to 2009, so there will be another reauthorization effort gearing up in just a few years.

Chairman Wahby asked if anyone had questions for Mr. Steudle; none were forthcoming.

IV. **OVERSIGHT**

Commission/State Administrative Board Contracts/Agreements (Exhibit A) – Myron Frierson

Mr. Frierson reported that Item #1 (contract 2005-0220 between MDOT and Altrarum) has been pulled from the agenda.

Mr. Frierson asked if any member of the Commission had questions on the remaining contracts before them for their approval.

None were forthcoming.

Mr. Frierson asked for approval of Exhibit A, excluding Item #1.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Atkinson to approve Exhibit A, excluding Item #1. Motion carried on a unanimous voice vote.

Bid Letting Pre-Approvals (Exhibit A-1) – Myron Frierson

Mr. Frierson gave a brief update on the bid letting activities up through April 2005. So far this year they have let over 306 items totaling over \$640 million. This compares to 2004 where, by this time, 300 items had been let totaling \$463 million.

Mr. Frierson stated that Item #37 (Proposal 0505084; construction of a left turn lane, etc. on Okemos Road from Sower Boulevard. to Mt. Hope Road; page 11) is withdrawn from the agenda.

Mr. Frierson asked the Commission for approval of the bid items for the May letting in Exhibit A-1, excluding Item #37, and asked for questions.

Commissioner Brennan inquired as to the timeline to notify contractors on bids (Bid Express).

Mr. Frierson answered that training sessions for contractors were held in January. They were also informed that between April and October they could submit bids electronically and have a companion paper bid. By October all bids are to be totally electronic. The process began over a year ago for bids that were over \$1 million. This span of time gave everyone ample opportunity to become familiar with the electronic process.

Chairman Wahby entertained a motion. Motion was made by Commissioner Brennan and supported by Commissioner Brosnan to approve the May bid letting, excluding Item #37. Motion carried on a unanimous voice vote.

Contract Adjustments (Exhibit B) – John Friend

Before beginning his report, Mr. Friend informed the Commission that today is **Take Your Child to Work Day** and that several children were present for the meeting. Aeronautics will roll out the planes so that the kids could get an up close look; all Commission members are invited to come back and participate as well.

Chairman Wahby asked for the children in the audience to come forward, state their name and who they are visiting with. Present are: Elizabeth and Craig Friend (John Friend), Abbie Brenke (Ronald Brenke of ACEC), Megan and Whitney Howd (Ray Howd) were present.

Mr. Friend informed the members that an annual report from his bureau would be presented to the Commission at the May meeting. This report will show, including but not limited to, the global scale of the total programs let versus the total programs administered.

Exhibit B contains six projects (three in extra status, three in overrun status). One of the six projects is a repeat of the Capital Loop project, which is approximately \$1.5 million over budget (see 9/30/04 STC Minutes).

Mr. Friend asked the Commission for approval of Exhibit B pending any questions from the Commission.

No questions were forthcoming.

Chairman Wahby entertained a motion. Motion was made by Commissioner Bender and supported by Commissioner Brennan to approve Exhibit B. Motion carried on a unanimous voice vote.

V. **PRESENTATIONS**

Asset Management Council 2004 Annual Report – Carmine Palombo, Chairman

For the benefit of the new commissioners, Mr. Palombo gave a brief background of the Council. The eleven member TAMC was created by Act 499 of Public Acts of 2002. This Act requires them to use an asset management approach for all roads and bridges, establish common definitions, strategies, condition assessment, and a data collection process. They are required to provide annual reporting to STC and Legislature, and receive an annual appropriation from the Michigan Transportation Fund.

TAMC Mission Statement: Advising the State Transportation Commission on a statewide asset management strategy and the necessary procedures and analytical tools to implement such a strategy on Michigan's highway system in a cost-effective, efficient manner (MCL 247.659a).

TAMC Goal Statement: Expand the practice of asset management statewide to enhance the productivity of investing in Michigan's roads and bridges through coordination and collaboration among state and local transportation agencies by: survey/report condition by functional class, assess investments, develop tools and procedures, educate and train on benefits.

Legislation indicates the Council begins by focusing on the 45,000 mile federal-aid eligible highway system (combination of state, county and city). Later on the Act indicates they extend to the entire road system.

The Asset Management process calls for the Council to conduct periodic system condition inventories, identify needs, establish strategic goals and objectives, and performance measures, evaluate investment scenarios, develop and implement a multi-year investment program, and monitor performance. The focus of our Asset Management process is to preserve the investments that have been made in the highway system. Benefits to the Asset Management process include providing a unified approach to effectively managing the highway system, it views the system from the perspective of the driving public rather than individual road agencies, it institutes key recommendations of the Act 51 Funding Study Committee, and provides a forum for discussing and reaching consensus on key issues in a spirit of cooperation rather than competition. In its most simple terms, Asset Management is applying the right fix, in the right place, at the right time.

The actual 2004 annual report talks about the 2004 Council activities and expenditures, the condition of the system, investments in the system, development of tools and procedures, education and training, and a case study of the City of Ionia.

Mr. Palombo took a few moments to go over the Data Survey which utilized a system called PASER (Pavement Surface Evaluation and Rating), a visual, windshield survey that measures surface distress on a scale of 1-10 (1=worst; 10=best). These ratings are then combined into three categories of routine maintenance (no capital investment involved; providing street-sweeping, drainage clearance), capital preventive maintenance (protect the pavement structure, slow the rate of deterioration and correct pavement surface defects), or structural improvement (major reconstruction or resurfacing).

If we compare the ratings from 2004 with the ratings from 2003, we see a slight decrease in the overall condition of the system. Only 24% of the system required routine maintenance (36% in 2003), 64% needed capital preventive maintenance (53% in 2003), and 12% needed structural improvement (11% in 2003).

Mr. Palombo asked for questions.

Chairman Wahby asked what is done with the information that is gathered.

Mr. Palombo answered that the information is given back to the operating agencies to help them develop their capital programs for the upcoming year. The challenge is in getting the word out to more communities to use the information. We are, however,

seeing some success in that regard.

Commissioner Bender asked how the City of Ionia was picked for the case study.

Mr. Palombo answered that Ionia was one of the cities identified in the survey as being actively involved in asset management.

Commissioner Bender asked how many lane miles are involved in the 45,000 miles of federally eligible highways as mentioned earlier in the presentation.

Mr. Palombo responded that it equates to 94,000 lane miles.

No other questions were forthcoming.

VI. **PUBLIC COMMENTS**

Chairman Wahby asked if anyone wanted to address the Commission; none were forthcoming.

Chairman Wahby asked if any member of the Commission had comments; none were forthcoming.

ADJOURNMENT

There being no further business to come before the Commission, the Chairman declared the meeting adjourned at 9:51 a.m.

The next full meeting of the Michigan State Transportation Commission will be held in Lansing, Michigan, on May 26, 2005, commencing at the hour of 9:00 a.m.

Frank E. Kelley
Commission Advisor